

BEFORE THE OIL CONSERVATION
COMMISSION OF NEW MEXICO

APPLICATION OF THE PURE OIL
COMPANY FOR APPROVAL OF THE
RED HILLS UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

Case No. 2671

A P P L I C A T I O N

Comes now THE PURE OIL COMPANY, an Ohio corporation authorized to do business in New Mexico, and applies to the OIL CONSERVATION COMMISSION OF NEW MEXICO for approval of the Red Hills Unit Agreement, Lea County, New Mexico, and in support of its application states:

1. That the proposed Red Hills Unit comprises an area of 28,796.48 acres, more or less, of Federal, State and privately-owned lands in Townships 25 and 26 South, Range 32 and 33 East, Lea County, New Mexico, as follows:

Township 25 South, Range 32 East
all of Sections 1, 2, 11-14,
23-26, 35 and 36.

Township 25 South, Range 33 East
all of Sections 3-10, 15-22
and 27-34.

Township 26 South, Range 33 East
all of Sections 3-9, 16 and
17.

2. That the Red Hills Unit is proposed as an exploratory unit for the purpose of testing the Devonian formation in this area. The proposed unit agreement would obligate Pure to drill a test well to a depth of 18,000 feet or to the Devonian formation unless production in paying quantities is obtained at a shallower depth. The unit area will be unitized in all formations.

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Date 10-11-62

3. That the initial test well will be located on a nine section drilling block comprising Sections 28-33, Township 25 South, Range 33 East, and Sections 4-6, Township 26 South, Range 33 East. It is proposed to segregate the interest in this block from the rest of the Unit by means of a separate operating agreement.

4. That preliminary approval of the proposed Unit has been obtained from the U.S.G.S., and tentative approval has been obtained from the Commissioner of Public Lands for the State of New Mexico.

5. That THE PURE OIL COMPANY is the owner of over fifty-six percent (56%) of the working interest in the proposed unit and is designated the Unit operator in the proposed Unit Agreement. A substantial majority of the working interest ownership in the unit has tentatively agreed to join the unit.

6. That the approval of the proposed Red Hills Unit Agreement will be in the best interest of effecting conservation.

WHEREFORE, Applicant requests that this matter be set for hearing before one of the Commission's Examiners on October 24, 1962, or as soon as the case may be heard, and that upon the evidence to be presented at that hearing the Commission enter its order approving the Red Hills Unit Agreement.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By Richard B. Morris
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Company